

**PVTA
Pioneer
Valley
Transit
Authority**

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**MINUTES OF PVTA'S
FINANCE & AUDIT COMMITTEE MEETING
July 19, 2017**

The Finance and Audit Committee meeting of the Pioneer Valley Transit Authority was held on Wednesday, July 19, 2017 at 11:00 A.M. at the Pioneer Valley Planning Commission Office located at 60 Congress Street in Springfield, MA.

PRESENT:

Members: Doug Slaughter, Amherst; Marilyn Ishler, South Hadley; Brian O'Leary, Belchertown; David Moskin, Hadley; Stephen Huntley, Chicopee; Patrick Burke, Rider Representative

PVTA: Sandra Sheehan, Patty O'Leary, Brandy Pelletier, Josh Rickman

NOT PRESENT:

Call to Order: Steve Huntley, Chairman of the Finance & Audit Committee stated that the committee has a quorum and called the meeting to order at 11:05 A.M.

1. APPROVAL OF MINUTES OF FINANCE & AUDIT COMMITTEE MEETING OF MAY 23, 2017

Chairman Huntley asked for a motion from the Finance & Audit Committee to approve the meeting minutes of May 23, 2017.

Motion: Moved and seconded (O'Leary/Slaughter) to approve minutes from PVTA's Finance & Audit Committee meeting of May 23, 2017.

Chairman Huntley asked if there was any discussion, hearing none, asked for all those in favor to say aye.

Motion passed by a unanimous vote.

2. FY 18 BUDGET UPDATE

Patty O'Leary, Chief Financial Officer (CFO), stated that PVTA's approved budget anticipated the Regional Transit Authorities (RTA) receiving \$82M in State Contract Assistance (SCA). PVTA would receive \$23.5M of the \$82M. On July 7th the Conference Committee approved SCA for the RTAs at \$80.4M. On July 17th the Governor vetoed that budget and set SCA at \$80M. PVTA anticipates receiving \$22,980,428.00 of SCA according to the Governors budget.

This new funding level means PVRTA's adjusted deficit increased from \$1.2M to \$1.675M. The proposed service changes PVRTA went to public hearings on has a total value of \$1.5M. The service changes based on public comments PVRTA is recommending has a total value of \$858,287.

Implementing the service changes that PVRTA and the Route Committee are recommending to the Advisory Board (\$858,287), including the applied for CMAQ funds (\$400,000), PVRTA is still facing a deficit.

PVRTA has two scenarios we could peruse to balance the budget; these options depend on whether the Advisory Board approves the service changes and if they are approved as a group or individually. One option is to eliminate the contribution to the Insurance Reserve this fiscal year. This would save an additional \$250,000. Another option is to use PVRTA's Restricted Reserve for Extraordinary Expense, which requires approval by Mass DOT Secretary Pollack.

David Moskin asked what the current balance is for the Insurance Reserve.

CFO O'Leary stated the current balance is \$1.3M.

Doug Slaughter stated if the Board decides to go the a-la-carte route, we may need to increase the Insurance Reserve.

Mr. Moskin asked why PVRTA does not get any funding from large companies in the private sector that benefit from our service; for example Wal-Mart or the Mall.

Ms. Sheehan stated that she is not sure if anyone has ever reached out to those agencies. Going forward that is something on our list to look into.

Steve Huntley stated that \$0.01 of sales tax goes to the MBTA. PVRTA should have a dedicated sales tax.

Patrick Burke stated if businesses pay they are more likely to be an ally and contact the legislature to help with funding. Any crisis creates opportunity and ways to better rely on stakeholders and constituents.

Patrick Burke moves to make up the deficit using only the Reserve Accounts with no reduction of service.

MOTION: Moved and seconded (Burke/Ishler) to make up the deficit using only the Reserve Accounts with no reduction in service.

Marilyn Ishler stated I seconded the motion for discussion purposes. I disagree with it. We need to have funds in the Reserve Accounts.

Chairman Huntley stated for clarification purposes, your motion is recommending using \$250,000 from the Insurance Reserve and \$1,130,582 from Extraordinary Reserve to make up the total deficit with no service reductions.

CFO O'Leary stated from a fiscal stand point that would not be responsible.

Chairman Huntley asked if the committee had any further discussion. Hearing none, asked all those in favor of the motion to say aye.

1 Member voted in Favor (Burke).

5 Members voted Not in Favor (Huntley, O'Leary, Ishler, Slaughter, Moskin).

Motion Fails by a vote of 1-5.

David Moskin moves to balance the budget by reducing the deficit by the approved service reduction amount before reducing our contribution of \$150,000 to the Insurance Reserve account and the remainder of the deficit (\$431,305) out of the Restricted Reserve account for Extraordinary Expense (pending the State's approval).

MOTION: Moved and seconded (Moskin/Slaughter) to balance the budget by reducing the deficit by the approved service reduction amount before reducing our contribution of \$150,000 to the Insurance Reserve account and the remainder of the deficit (\$431,305) out of the Restricted Reserve account for Extraordinary Expense (pending the State's approval).

Chairman Huntley stated for clarification purposes, your motion is recommending reducing the deficit first by the amount of service reductions approved by the Board. Then, reducing the amount contributed to Insurance Reserve Account from \$250,000 to \$150,000, contributing \$150,000 to the Insurance Reserve Account. Then, make up the remaining deficit amount of \$431,305 using the Restricted Reserve for Extraordinary Expense Account with the State's approval.

Chairman Huntley asked if the committee had any further discussion. Hearing none, asked all those in favor of the motion to say aye.

5 Members voted in Favor (Huntley, O'Leary, Ishler, Slaughter, Moskin).

1 Member voted Not in Favor (Burke).

Motion Passed by a vote of 5-1.

3. OTHER BUSINESS

Chairman Huntley reported that there is no other business to discuss.

4. ADJOURNMENT

The meeting of the PVTa Finance & Audit Committee adjourned (Burke/O'Leary) at 12:02 P.M.

A TRUE RECORD

ATTEST:


BRANDY PELLETIER

Documents filed with Finance & Audit Committee Meeting packet:

- May 23, 2017 Finance & Audit Committee Meeting Minutes

Minutes Approved 9/20/17